Power to exempt class of societies

111. The Government may, by general or special order, published in the official Gazette, exempt any society or any class of societies from any of the provisions of this Act or may direct that such provisions shall apply to such society or class of societies with such modifications as may be specified in the order.

Service of notice under the Act

112. Every notice or order issued or made under this Act, may be served on any person, by properly addressing it to the last known place of residence or business of such person prepaying and posting by registered post a letter containing the notice or order and unless the contrary is proved, such service shall be deemed to have been effected at the time at which the letter would be delivered in the ordinary course.

Notice necessary in suits

113. No suit shall be instituted against a society or any of its officers in respect of any act touching the constitution, management, or the business of the society until the expiration of two months next after notice in writing has been delivered to the Registrar, or left at his office, stating the cause of action, the name, description and place of residence of the plaintiff and the relief which he claims; and the plaint shall contain a statement that such notice has been so delivered or left.

Indemnity

114. No suit, prosecution or other legal proceedings shall lie against the Registrar or any person subordinate to him or acting under his authority in respect of anything in good faith done or purporting to have been done under this Act.

Companies Act, 1956 not to apply 1 of 1956

115. The provisions of the Companies Act, 1956 shall not apply to societies.

Saving of existing societies

116. (1) Any society which is existing as on the date of coming into force of this Act and which has been registered under the Sikkim Co-operative Societies Act, 1955 or under any other law relating to co-operative societies in force in the State of Sikkim shall be deemed to have been registered under this Act, and its bye-laws shall, so far as the same are not inconsistent with the express provisions of this Act, continue in force until altered or rescinded.

(2) All appointments, rules and orders made, notifications and notices issued and suits and other proceedings instituted under the Sikkim Co-operative Societies Act, 1955 shall be deemed to have been respectively made issued or instituted under this Act, unless duly revoked or cancelled.

Powers to make rules

117. (1) The Government may, for the whole or any part of the State of Sikkim and for any class of Societies, after previous publication in the Gazette, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :-

(a) the applicant to whom the order refusing the registration of a society may be sent by the Registrar;

(b) the procedure and conditions for change in the form and extent of the liability of a society;

(c) the matters in respect of which a society shall or may make bye-laws;

(d) the procedure to be followed for amendment of bye-laws by a society;

(e) the qualifications or disqualifications of individuals who may be admitted as members of societies;

(f) the provision for a second or casting vote by the chairman of a meeting of a society;

(g) the appointment by a society of one of its members to represent and vote on its behalf at a meeting of another society of which it is a member;

(h) the maximum number of shares or portion of the share capital of a society which may be held by an individual member;

(i) the procedure for the nomination of a person to whom the share or interest of a member on his death may be transferred or the value thereof may be paid;

(j) the mode in which the value of a deceased member's share shall be ascertained;

(k) the election of members of committee by the general body of a society including the appointment of Returning Officers and the powers and functions of such Returning Officers;

(l) the requisitioning of a general meeting of a society;

(m) the remuneration payable to a new committee or Administrators appointed in place of a committee removed by the Registrar;

(n) the qualifications or disqualifications for membership of committee of a society, the authority competent to decide questions of disqualifications and appeals from such decisions;

(o) the qualifications of employees of societies;

(p) the prohibition against officers of a society being interested in contracts with the society;

(q) the matters connected with the partnership of the Goverment in societies;

(r) the rate at which dividend may be paid by societies;

(s) the payment to be made to the 'Co-operative Education Fund' by a society out of its net profits and the mode of its investment;

(t) the mode of investment of funds of a society;

(u) the objects of the reserve fund of a society and mode of its investment;

(v) the mode of disposal of reserve fund of a society on its winding up;

(w) the extent and conditions subject to which a society may receive deposits and loans;

(x) the restrictions on transactions by a society with non-members;

(y) the restrictions on grant of loans by a society against its shares;

(z) the form and standards of fluid resources to be maintained by societies accepting deposits and granting cash credits;

(aa) the levy of audit fees on societies;

(bb) the procedure to be followed in proceedings before the Registrar, arbitrator or other person deciding disputes;

(cc) the conditions subject to which assets of a society shall vest in a liquidator and the procedure to be adopted in winding up of a society;

(dd) the procedure for recovery of amounts due or payable to a society;

(ee) the mode of making attachment before judgement;

(ff) the procedure and conditions for the issue, redemption, reissue, transfer, replacement or conversion of bonds issued by a society;

(gg) the maximum amount of principal, the rate of interest and other conditions for the guarantee of debentures/bonds issued by a society;

(hh) the procedure for the distraint and sale of property, mortgaged to a primary agricultural credit society or to the State Co-operative Bank;

(ii) the immediate sale of perishable articles;

(jj) the manner of registering the address of a society;

(kk) the account books and registers to be kept by a society and power of Registrar to direct the accounts and books to be written up;

(ll) the manner of certification of entries in the books of a society and of copies of documents kept by it in the course of its business;

(mm) the statements and returns to be furnished by societies to the Registrar;

(nn) the restrictions on persons appearing as legal practitions;

(oo) the inspection of documents and the levy of fees for granting certified copies thereof; and

(pp) the matters expressly required or allowed by the Act to be prescribed.

(3) Every rule made under this section shall immediately after it is made, be laid before the State Legislature if it is in session and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiration of the session in which it is so laid or the session immediately following, the House agrees, in making any modification in the rules or in the annualment of the rules, the rules shall thereafter have effect only in such modified form or shall stand annualled, as the case may be, so, however, that any such modification or annualment shall be without prejudice to the validity of anything previously done under that rule.

Repeal

118. On the day on which this Act comes into force, the Sikkim Co-operative Societies Act, 1955 as in force in the State of Sikkim shall stand repealed :

Provided that the repeal shall not affect :-

(a) the previous operation of the Act so repealed or anything duly done or suffered thereunder; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the Act so repealed ; or

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the Act so repealed; or

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed as if that Act had not been repealed.

Power to remove difficulties

119. (1) If any difficulty arises in giving effect to the provisions of this Act in consequence of the trasition to the said provisions from the provisions of the Acts in force immediately before the commencement of this Act, the Government may, by notification in the official Gazette, make such provisions as appear to it to be necessary or expedient for removing the difficulty.

(2) If any difficulty arises in giving effect to the provisions of this Act (otherwise than inrelation to the transition from the provisions of the Acts in force before the commencement of this Act), the Government may by notification make provisions, not inconsistent with the purpose of this Act, as appear to it to be necessary or expedient for removing the difficulty.

By Order of the Governor.

B. R. PRADHAN,
Secretary to the Government of Sikkim
Law and Legislative Department.
F. 16 (25)LL/77.

PRINTED AT THE SIKKIM GOVERNMENT PRESS

SIKKIM

GOVERNMENT GAZETTE

EXTRAORDINARY

PUBLISHED BY AUTHORITY

No. 112 Gangtok, Wednesday July 3, 1985.

GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK.

Notification No. 6/LD/85 Dated the 29th June, 1985.

The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on the 28th day of June, 1985, is hereby published for general information:—

THE SIKKIM CO-OPERATIVE SOCIETIES (AMENDMENT) ACT, 1985.

(ACT NO. 6 OF 1985)

AN

ACT

to amend the Sikkim Co-operative Societies Act, 1978.

Be it enacted by the Legislative Assembly of Sikkim in the Thirty-sixth Year of the Republic of India as follows:—

Short title and commencement.

1. (1) This Act may be called the Sikkim Co-operative Societies (Amendment) Act, 1985.

(2) It shall be deemed to have come into force on the 1st day of July, 1978.

Amendment of section 38.

2. In the Sikkim Co-operative Societies Act, 1978, in section 38, in sub-section (1), after the word "nominate" and before the word "members", the words "Chairman and" shall be inserted.

B. R. PRADHAN,
Secretary to the Govt. of Sikkim,
Law Department.
F. No. 16 (25) LD/78.

PRINTED AT THE SIKKIM GOVERNMENT PRESS, GANGTOK.

SIKKIM

GOVERNMENT GAZETTE

EXTRAORDINARY

PUBLISHED BY AUTHORITY

Gangtok, Tuesday 29th September, 1992 No. 118

GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK

NOTIFICATION

No. 7/LD/1992 Dated : 28th September, 1992.

The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on 23rd day of September, 1992, is hereby published for general information:-

THE SIKKIM CO-OPERATIVE SOCIETIES (AMENDMENT) ACT, 1992.

(ACT NO. 7 of 1992)

AN

ACT

further to amend the Sikkim Co-operative Societies Act, 1978.

BE it enacted by the Legislative Assembly of Sikkim in the Forty-third Year of the Republic of India as follows :—

Short title and commencement.

1. (1) This Act may be called the Sikkim Co-operative Societies (Amendment) Act, 1992.

(2) It shall be deemed to have come into force with effect from the 1st day of April, 1992.

Amendment of section 2

2. In the Sikkim Co-operative Societies Act, 1978 (hereinafter referred to as the principal Act), in section 2, for clause (e), the following clause shall be substituted, namely :— 12 of 1978.

"(e) "Co-operative year" means the period beginning from the 1st day of April, or the date of commencement of business, or the date of registration of the society and ending on the 31st day of March every year for the purpose of drawing balance sheets of registered societies".

The period from 1st July, 1991 to 31st March, 1992 to be the Co-operative year for that period.

3. Notwithstanding anything contained in section 2, the Co-operative year for the year immediately preceding the date of commencement of this Act shall be the period beginning from the 1st day of July, 1991, or the date of commencement of business, or as the case may be, the date of registration of the society, and ending on the 31st day of March, 1992 for the purpose of drawing balance sheets of registered societies for that period.

Amendment of section 26.

4. In the principal Act, for the proviso to section 26, the following proviso shall be substituted, namely :—

"Provided that in respect of certain class of societies as the Government may, by notification in the Official Gazette specify, a member other than the Government or any other society, may hold share exceeding the prescribed limit".

By Order of the Governor,

B. R. Pradhan,
Secretary to the Government of Sikkim,
Law Department,
(F. No. 16(25)LD/77-92)

PRINTED AT SIKKIM GOVERNMENT PRESS, GANGTOK.

SIKKIM

GOVERNMENT GAZETTE

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Gangtok | Monday 18th August, 2003 | No. 262

GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK

No. 9/LD/2003. Dated 13.8.2003.

NOTIFICATION

The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on 4th day of August, 2003 is hereby published for general information:-

THE SIKKIM COOPERATIVE SOCIETIES (AMENDMENT) ACT, 2003
(ACT NO. 9 OF 2003)
AN
ACT

further to amend the Sikkim Cooperative Societies Act, 1978.

BE it enacted by the Legislature of Sikkim in the Fifty-fourth Year of the Republic of India as follows:-

Short title, and commencement.

1. (1) This Act may be called the Sikkim Cooperative Societies (Amendment) Act, 2003.

(2) It shall come into force at once.

Amendment of Section 38.

2. In the Sikkim Cooperative Societies Act, 1978, in section 38,-
(i) in sub-section (1), the words " Chairman and " shall be omitted
(ii) after sub-section (2), the following sub-section shall be inserted, namely:-
'(3) The chairpeson of the Apex Cooperative Societies shall be elected from amongst President of the Member Cooperative Societies and the manner of electon shall be such as may be prescribe in the Bye-Laws of the respective Cooperative Societies".

Repeal.

3. The Sikkim Cooperative Societies (Amendment) Ordinace, 2003 (6 of 2003) is hereby repealed.

By Order.

T.D. RINZING
Secretary to the Govt. of Sikkim,
Law Department.

F. No. 16 (82)LD/2003.

SIKKIM

GOVERNMENT GAZETTE

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Gangtok | Monday 17th April, 2006 | No. 104

GOVERNMENT OF SIKKIM
LAW DEPARTMENT

No. 30/LD/2006. Date: 15.04.2006.

NOTIFICATION

The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on 24.03.2004 is published for general information:-

THE SIKKIM CO-OPERATIVE SOCIETIES (AMENDMENT) ACT, 2006
(ACT NO 1 OF 2006)
AN ACT

Further to amend the Sikkim Co-operative Societies Act, 1978.

Be it enacted by the Legislature pf Sikkim in Fifty sixth year of the Republic of India as follows : -

Short title and Commencement

1. (i) This Act may be called the Sikkim Co-operative Societies (Amendment) Act, 2006.
   (ii) It shall come into force at once.

Amendment of Section 26

2. In the Co-operative Societies Act, 1978 (hereinafter referred to as the said Act,) in section 26,
   (i) for the figure "5000" wherever it occurs, the figure "20,000" shall be substituted,
   (ii) after the words "whichever is less" the following shall be inserted, namely:- "except in case of Urban Co-operative bank where the maximum ceiling will be Rs. 1.00 (one) lakh".

Amendment of Section 90

3. In the said Act, for the existing section 90, the following shall be substituted namely: -

"90. The committee of the State Co-operative Bank shall consists of 14 (fourteen) members of whom 4 (four) shall be nominated by the Government, 7 (seven) shall be representatives of societies of which one shall be women representative elected from amongst the women Presidents of Multi-purpose Co-operative Societies and if not one women Director having some experience and background abou cooperative to be nominated by the State Government, 2 (two) shall be representatives of members other than societies to be elected or nominated as per the bye-laws o the Bank and one Managing Director to be appointed by the State Government ir consultation with the Reserve Bank of India".

By Order.

R.K. Purkayastha (SSJS)
Legal Remembrancer- Cum- Secretary
Law Department
File no. 16(82) LD/P/2006

S.G.P.G - 114 /Gazette/ 150 Nos/ Dt:- 19.4.2006.

SIKKIM

GOVERNMENT GAZETTE

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Gangtok | Thursday 20th August, 2009 | No. 311

GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK

No. 6/LD/P/2009 Date: 20.08.2009

NOTIFICATION

The following Act passed by the Sikkim Legislative Assembly and having received the assent of the Governor on 4th day of August, 2009 is hereby published for general information:-

THE SIKKIM COOPERATIVE SOCIETIES (AMENDMENT) ACT, 2009

(Act No. 6 of 2009)

AN

ACT

further to amend the Sikkim Cooperative Societies Act, 1978.

Be it enacted by the Legislature of Sikkim in Sixtieth Year of the Republic of India as follows:-

Short title extent and commencement.

1. (i) This Act may be called the Sikkim Cooperative Societies (Amendment) Act, 2009.
(2). It extends to the whole of the Sikkim.
(3). It shall come into force at once.

Amendment of Section 2.

2. In the Sikkim Cooperative Societies Act, 1978(hereinafter referred to as 'the principal Act); in section 2, -
(i) for the existing clause (a), the following shall be substituted namely:-
(a) **"National Bank" means the National Bank for Agriculture and Rural Development established under Section 3 of National Bank for Agriculture and Rural Development Act 1981;**
(ii) for the existing clause (e), the following shall be substituted, namely ;-
(e) **"Cooperative year' means the period beginning from 1st day of April or the date of commencement of business or**

the date of registration and ending the 31st day of March for the purpose of drawing up the balance sheets of registered societies as the case may be."

(iii) for the existing clause (f) the following shall be substituted, namely:-

(f) 'Deposit Insurance and Credit Guarantee Corporation' means the Deposit Insurance Corporation established under section 3 of the Deposit Insurance Corporation Act, 1961'.

(iv) for the existing clause (g) the following shall be substituted, namely:-

(g) 'Apex Society' means a society, where not less than five members of which are themselves societies.
Note :- the word 'chairman / chairperson' shall be used only by the Apex societies and those societies other than the Apex societies shall use the word President for the word Chairman after the enactment of this Act.

(v) for the existing clause (i) the following shall be substituted, namely;
'Self Help Group', including 'Joint Liability Group' means a group of individuals willing to undertake economic activity/ ies individually or jointly, whether incorporated or not and whether established or not by or under any law.

(vi) for the existing clause (k) the following shall be substituted, namely:-
'Nominal Member' means a person admitted as a member by paying the admission fee and shall not be having any voting rights and shall not be entitled to dividend declared.

(vii) for the existing clause (o) the following shall be substituted, namely:-
'Primary Agricultural Credit Society' means a cooperative society as defined under clause (cciv) of Section 5 of Banking Regulation Act, 1949(Central Act 10 of 1949) and includes a Multipurpose cooperative society.

(viii) for the existing clause (v) the following shall be substituted, namely:-
"State Cooperative Bank" means an apex society engaged in the business of banking;

(ix) after clause (v) the following clauses shall be inserted, namely ;-

(w) "Chartered Accountant" means a member of the Institute of Chartered Accountants of India within the meaning of the Chartered Accountants Act,1949 (38 of 1949)

(x) "Cooperative credit structure society" includes a State Cooperative Bank and a primary agricultural credit society.

(y) "Multipurpose Cooperative Society" means a primary society the object of which is to provide various services including services related to savings, credit, business, industry and consumer durables to its members.

(z) "Primary society" means a cooperative society whose membership consists exclusively of individuals and self help groups.

Amendment of Section 3.

3. In the principal Act, in sub-section (4) of section 3, for the word 'federal' the word 'apex' shall be substituted.

Amendment of Section 5.

4. In the principal Act, in section 5,

(i) in clause (a), for the word 'federal' the word' apex' shall be substituted,

(ii) after clause (b), the following clause shall be inserted, namely:-

(c) **No primary agricultural credit society, or its federation or association(except those which are permitted to act as a bank under Banking Regulation Act,1949(Central Act No.10 of 1949) shall be registered with the words 'bank' or any other derivative of the word 'bank' in its registered name or shall use the same as a part of its name:**

Provided that where any primary agricultural credit society or its federation or association(except those which are permitted to act as a bank under Banking Regulation Act,1949(Central Act No.10 of 1949) has been registered or using the same as a part of its name before the commencement of the Sikkim Cooperative Societies (Amendment) Bill,2009 with the word 'bank' or any of its derivatives in its registered name, it shall within three months from the date of such commencement, change its name so as to remove the word 'bank' or its derivative, if any, from its name:

Provided further that where any such society fails to comply with the above provisions within the period specified therein, the Registrar shall order the winding up of such society forthwith.

Amendment of Section 8.

5. In the principal Act, in section 8, (1) in sub-section (1) after the words 'its bylaws' the following words shall be added, namely:- **'within one month from the date of submission of application to the Registrar'.**

(ii) in sub-section (2), for the words 'six', the word one shall be substituted.

Insertion of new Section 8 A.

In the principal Act, after section 8, the following new section 8A shall be inserted, namely;- ***"Affiliation"*** **'A cooperative credit structure society may affiliate or disaffiliate with an apex society of its choice:**

Provided that before dis-affiliation, the society shall discharge its financial liability, if any, to the society from which it is dis-affiliating.

Amendment of Section 11.

6. In the principal Act, in section 11,

(i) in sub-section (3), after the word "amendment" and before the words "together with", the words **"within one month"** shall be inserted;

(ii) in sub-section (4), after the words "therefore" and before the words "to the society", the words "within one month" shall be inserted.

Amendment of Section 12.

7. In the principal Act, in section 12 after the words " duly made by the society" the following provisio shall be inserted, namely:

"Provided that the provisions of this section shall not apply to a cooperative credit structure society".

Insertion of new Section 19 A.

8. In the principal Act, after section19, the following new section 19A shall be inserted, namely:-

"Financial and internal Administrative matters"

(1) **'Notwithstanding anything contained in this Act, rules or bye-laws made there under or any other law for the time being in force, a cooperative credit structure society shall have autonomy in all financial and internal administrative matters including the following areas:-**

(a) Interest rates on deposits and loans, in conformity with the guidelines of the Reserve Bank;

(b) Borrowing and Investments;

(c) Loan policies and individual loan decisions;

(d) Personnel policy, staffing, recruitment, posting and compensation to staff;

(e) Internal control systems, appointment of auditors and compensation for the audit'.

(2) 'A cooperative credit structure society shall have the freedom of entry and exit at any tier without mandatory restrictions of geographical boundaries for its operation'.

Amendment of Section 20.

9. In the principal Act, in sub-section (1) of section 20 after clause (d) the following clause shall be inserted, namely:-

"(e) any self help group".

Amendment of Section 21.

10. In the principal Act, in sub-section (3) of section 21, after the words "member of another" and before the words "credit society", the word **'primary'** shall be inserted.

Amendment of Section 22.

11. In the principal Act, in section 22, -(i) in clause (c) the following proviso shall be inserted, namely:-

'Provided that the provisions of this clause do not apply to a primary agricultural credit society'.

(ii) after clause (c), the following clause shall be inserted, namely:-

(d) where a self-help group is a member, a person nominated by such self-help group, may vote on its behalf in the affairs of the society'.

Amendment of Section 31.

12. In the principal Act, in sub-section (3) of section 31, after clause (e) the following clause shall be inserted, namely:-

(f) Notwithstanding anything contained in this Act, no person shall be elected, nominated or co-opted or allowed to continue as a member of the committee of a cooperative credit structure society, if he,

(i) is a person who represents a society other than a primary agricultural credit society on the committee of a State Cooperative Bank if such society he represents has committed a default towards the payments of such Bank for a period exceeding ninety days;

(ii) is a person who committed a default towards the payments to a primary agricultural credit society or represents a primary agricultural credit society on the committee of a State Cooperative Bank if such society he represents has committed a default towards the payments of such bank for a period exceeding one year unless the default is cleared;

(iii) is a person, who represents a society whose committee is superceded or has ceased to be a member on the committee of his own society'.

Amendment of Section 34.

13. In the principal Act, in section 34 after sub-section (2) the following sub-sections shall be inserted, namely:-

(3) The Returning Officer under sub-section (1) of Section (34) shall within 90(ninety)days before expiry of term of the committee, make arrangements for the constitution of a new committee in accordance with the provisions of this Act and rules and bye-laws made there under.

(4) Where any Committee has ceased to hold office and no Committee has been constituted in accordance with the provisions of this Act and Rules and bye-laws made there under, the Registrar, may, by an order in writing, appoint an Administrator for such period as may, from time to time, be specified in the order and the Administrator shall before the expiry of the period of his appointment, arrange for the constitution of a new Committee in accordance with the provisions of this Act and rules and bye-laws made there under:

Provided that the total period for which an Administrator may be appointed shall not in any case exceed 60 days.

Amendment of Section 36.

14. In the principal Act, in clause (c) of section 36, for the words "a federal society" the words **'an Apex society'** shall be substituted.

Amendment of Section 38.

15. In the principal Act, in section 38, in sub-section (1), after clause (ii), the following clauses shall be inserted, namely;-**"(iii) Notwithstanding anything contained in sub-section (1) of this Section, there shall**

be only one nominee of the State Government on the committee of a State Cooperative Bank if the Government has subscribed to its share capital."(iv) Notwithstanding anything contained in sub-section (1) of this Section, there shall be no nominee of the State Government on the committee of a primary agricultural credit society.

Amendment of Section 39.

16. In the principal Act, in section 39, -

(1) in sub-section (1), the words **'or the cooperative movement in the state'**; shall be omitted:-

(2) in clause (b), for the words 'one year' the words **'two months'** and for the words 'three years' the words **'six months from the date of supersession'** shall respectively be substituted;

(3) in sub-section (3), words **'subject to the control of the Registrar and to such instructions as he may from time to time issue'**; shall be omitted;

(4) after **sub-section (5) the following new sub-sections shall be inserted, namely;-**

"6 **(a) The Board of a State Cooperative Bank shall be superseded with the prior approval of the Reserve Bank.**

(b) The Board of a primary agricultural credit Society shall be superseded by the Registrar only under the following conditions:-

(i) that a society incurs losses for three consecutive years; or

(ii) that serious financial irregularities or frauds have been identified; or

(iii) that there are judicial directives to this effect; or

(iv) there is perpetual lack of quorum.

Explanation:- "perpetual lack of quorum" means failure of holding three consecutive meeting for want of quorum.

(c) **A member of the Board of a primary agricultural credit cooperative society which has been superseded under sub clauses (i) and (ii) of clause b of sub-section (6) of Section 39 shall not be entitled to contest again for a period of three years after supersession".**

Amendment of Section 42.

17. In sub-section (1) of section 42, after the words, "due to a society by any member" and before the words including a passed or deceased member the words **'or the surety of any member of a society'** shall be inserted, and after the words "deceased members and before the words shall be a first charge the words **'and or surety thereof'** shall be inserted;

Amendment of Section 55.

18. In the principal Act, in clause (a) of section 55 the following provisos shall be inserted, namely;-

"Provided that the State Government's subscription to the equity share capital of a cooperative credit structure society shall